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**GENERAL SERVICES ADMINISTRATION**

**48 CFR Parts 503 and 552**

**[GSAR Change 76; GSAR Case 2016-G501; Docket No. 2016-0018;**

**Sequence No. 1]**

**RIN 3090-AJ78**

**General Services Administration Acquisition Regulation**

**(GSAR); Inflation of Acquisition-Related Thresholds**

**AGENCIES:** Office of Acquisition Policy, General Services Administration (GSA).

**ACTION:** Final rule.

**SUMMARY:** The General Services Administration (GSA) is amending the General Services Administration Acquisition Regulation (GSAR) to make editorial changes. This case updates acquisition-related thresholds to align with the Federal Acquisition Regulation (FAR).

**DATES:** Effective: **[Insert date of publication in the FEDERAL REGISTER.]**

**FOR FURTHER INFORMATION CONTACT:** For clarification of content, contact Ms. Janet Fry, Procurement Analyst, General Services Acquisition Policy Division, GSA, at 703-605-3167. For information pertaining to status or publication schedules, contact the Regulatory Secretariat at 202-501-4755. Please cite GSAR case 2016-G501.

**SUPPLEMENTARY INFORMATION:**

## **I. Discussion of changes**

The General Services Administration (GSA) is amending the General Services Administration Acquisition Regulation (GSAR) to make editorial changes to align acquisition thresholds with the Federal Acquisition Regulation (FAR). There are no significant content changes resulting from this case.

GSAR section 503.1004(a) is updated to remove the duplicative and unnecessary language regarding the outdated \$5,000,000 FAR threshold for including FAR 52.203-14, Display of Hotline Poster(s). The remaining text regarding the \$1,000,000 threshold for disaster assistance funds is retained with minor edits.

Contract GSAR clauses 552.219-71, Notice to Offerors of Subcontracting Plan Requirements, and 552.219-72, Preparation, Submission and Negotiation of Subcontracting Plans, are updated to remove reference to the acquisition threshold of \$650,000 and the language is restructured to no longer state the threshold but rather direct the reader to FAR 52.219-9 which clearly addresses the thresholds for subcontracting plans. By referencing back to the FAR, future inflation updates will not require amendments to the GSAR.

GSAR clause 552.270-13, Proposals for Adjustment, is updated to replace "\$500,000" with "\$750,000." Referencing the FAR for the threshold to prevent future updates was not an alternative.

## **II. Public comments not required**

41 U.S.C. 1707, Publication of proposed regulations, applies to the publication of the General Services Administration Acquisition Regulation. Paragraph (a)(1) of the statute requires that a procurement policy, regulation, procedure or form including amendment or modification thereof must be published for public comment if it has either a significant effect beyond the internal operating procedures of the agency issuing the policy, regulation, procedure, or form or has a significant cost or administrative impact on contractor or offerors. This final rule is not required to be published for public comment because it contains minor editorial updates without changing the meaning of content. The changes do not have a significant impact on the public.

## **III. Executive Orders 12866 and 13563**

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits

(including potential economic, environmental, public health and safety effects, distributive impacts, and equity).

E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under Section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

#### **IV. Regulatory Flexibility Act**

The Regulatory Flexibility Analysis does not apply to this rule because this final rule does not constitute a significant GSAR revision and 41 U.S.C. 1707 does not require publication for public comment.

#### **V. Paperwork Reduction Act**

The final rule does not contain any information collection requirements that require approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

List of Subjects in 48 CFR Parts 503 and 552

Government procurement.

Dated: September 29, 2016.

Jeffrey A. Koses,  
Senior Procurement Executive,  
Office of Acquisition Policy,  
Office of Government-wide Policy.

Therefore, GSA is amending 48 CFR parts 503 and 552 as set forth below:

1. The authority citation for 48 CFR parts 503 and 552 continues to read as follows:

**Authority:** 40 U.S.C. 121(c).

**PART 503—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST**

2. Amend section 503.1004 by revising paragraph (a) to read as follows:

**503.1004 Contract clauses.**

(a) GSA has exercised the authority provided at FAR 3.1004(b)(1)(i) to establish a lower threshold for inclusion of clause 52.203-14, Display of Hotline Poster(s). When the contract or order is funded with disaster assistance funds, the threshold is \$1,000,000.

\* \* \* \* \*

**PART 552—SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

3. Amend section 552.219-71 by revising the date of the provision and the provision to read as follows:

**552.219-71 Notice to Offerrors of Subcontracting Plan Requirements.**

\* \* \* \* \*

NOTICE TO OFFERRORS OF SUBCONTRACTING PLAN REQUIREMENTS ( [ **INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER** ] )

The General Services Administration (GSA) is committed to assuring that maximum practicable opportunity is provided to small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns to participate in the performance of this contract consistent with its efficient performance. GSA expects any subcontracting plan submitted pursuant to FAR 52.219-9, Small Business Subcontracting Plan, to reflect this commitment. The plan must demonstrate a creative and innovative program for involving small, HUBZone small, small disadvantaged, women-owned, veteran-owned, and service-disabled veteran-owned small business concerns as subcontractors in the performance of this contract.

\* \* \* \* \*

4. Amend section 552.219-72 by revising the date of the provision and paragraph (a) to read as follows:

**552.219-72 Preparation, Submission, and Negotiation of Subcontracting Plans.**

\* \* \* \* \*

PREPARATION, SUBMISSION, AND NEGOTIATION OF SUBCONTRACTING PLANS ( [INSERT  
DATE OF PUBLICATION IN THE FEDERAL REGISTER] )

(a) When submitting a subcontracting plan in accordance with FAR 52.219-9, the offeror shall submit a

subcontracting plan with its initial offer. The subcontracting plan will be negotiated concurrently with price and any required technical and management proposals, unless the offeror submits a previously-approved commercial plan.

\* \* \* \* \*

5. Amend section 552.270-13 by revising the date of the provision; and removing from paragraph (c) introductory text and paragraph (c)(2) "500,000" and adding "750,000" in their places, respectively.

The revision reads as follows.

**552.270-13 Proposals for Adjustment.**

\* \* \* \* \*

PROPOSALS FOR ADJUSTMENT ( [INSERT DATE OF PUBLICATION IN THE FEDERAL  
REGISTER] )

\* \* \* \* \*

[BILLING CODE 6820-61]

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